

Program D: Uncompensated Care Costs

Program Authorization: The Constitution of Louisiana (1974) Article 12, Section 8, and Public Law 89-97. The Balanced Budget Act of 1997 (Public Law 105-33), as amended by technical amendments (Public Law 105-100, signed into law on November 19, 1997).

Program Description

The mission of the Uncompensated Care Cost (UCC) Payments Program (formerly known as Disproportionate Share [DSH] payments) is to encourage hospitals and providers to serve uninsured and indigent clients. As a result, the client's quality and access to care is improved. Prior to 1989, all uncompensated medical costs (100%) for the uninsured were financed by the State General Fund. As a result of the Uncompensated Care Cost Program, these State General Funds are now matched with federal funds to cover 100% of cost.

The goal of the Uncompensated Care Costs Payments Program is to reduce reliance on the State General Fund to cover Medicaid expenditures. This program provides payments to the following: LSU Medical Center, LSU Health Sciences Center Health Care Services Division, DHH Psychiatric Hospitals and Private Hospitals.

Federal law requires that Medicaid UCC payments be made to qualifying hospitals. Under federal law, UCC payments to each UCC hospital may not exceed that individual hospital's uncompensated costs. The state has the flexibility in varying payment methodologies according to type of hospital as long as certain criteria mandated by federal regulations are met.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$186,621,062	\$187,620,747	\$187,620,747	\$183,588,736	\$124,259,218	(\$63,361,529)
STATE GENERAL FUND BY:						
Interagency Transfers	789,188	1,539,336	1,539,336	1,181,056	98,012,679	96,473,343
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	0	1,545,176	1,545,176	0	0	(1,545,176)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	647,457,463	621,024,983	621,024,983	569,731,718	561,203,242	(59,821,741)
TOTAL MEANS OF FINANCING	\$834,867,713	\$811,730,242	\$811,730,242	\$754,501,510	\$783,475,139	(\$28,255,103)
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	834,867,713	811,730,242	811,730,242	754,501,510	783,475,139	(28,255,103)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$834,867,713	\$811,730,242	\$811,730,242	\$754,501,510	\$783,475,139	(\$28,255,103)
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SOURCE OF FUNDING

The Uncompensated Care Cost Program is funded with State General Fund, Interagency Transfers, and Federal Funds. The Interagency Transfers are monies returned to the department from other public agencies who are paid in excess of 100% of their costs. The Federal Funds represent federal financing participation on Uncompensated Care Costs.

	ACTUAL	ACT 13	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2001-2002	2002-2003	2002-2003	2003-2004	2003-2004	OVER/(UNDER)
						EXISTING
Deficit Elimination/Capital Outlay Escrow Replenishment Fund	\$0	\$1,545,176	\$1,545,176	\$0	\$0	(\$1,545,176)

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$187,620,747	\$811,730,242	0	ACT 13 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$187,620,747	\$811,730,242	0	EXISTING OPERATING BUDGET - December 2, 2002
\$0	(\$48,406,051)	0	Other Adjustments - Elimination of UCC payments to rural private providers, including small rural private acute care hospitals
\$17,500,000	\$61,684,878	0	Other Adjustments - Implementation of UCC payments to private providers for acute psych beds
(\$215,019)	(\$748,674)	0	Other Adjustments - Elimination of UCC payments to Villa Feliciana, based on its closure
(\$22,672,683)	(\$79,035,814)	0	Other Adjustments - Reduction of UCC payments to the Office of Mental Health, based upon the closing of certain state mental health facilities
\$40,038,852	\$102,199,063	0	Other Adjustments - Increase in UCC payments to LSU Health Sciences Center-Shreveport
\$0	(\$63,948,505)	0	Other Adjustments - Elimination of UCC payments to hospitals within the Louisiana State University Health Care Services Division, with the exception of the LSU Medical Center at New Orleans, which is only being reduced.
(\$98,012,679)	\$0	0	Net Means Of Financing Substitutions - Substitution of Interagency Transfers from state facilities being reimbursed at a rate greater than 100% of UCC costs
\$124,259,218	\$783,475,139	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$124,259,218	\$783,475,139	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$124,259,218	\$783,475,139	0	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2003-2004.

OTHER CHARGES

\$61,684,878	Reimbursements to Private providers for acute psych beds
\$476,086,380	Reimbursement to the LSU Medical Center at New Orleans

\$537,771,258	SUB-TOTAL OTHER CHARGES
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Interagency Transfers:

Interagency Transfers for the reimbursement to following public providers for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program:

\$228,720,219	LSU Health Sciences Center - Shreveport
\$16,983,662	East Louisiana State Hospital

\$245,703,881	SUB-TOTAL INTERAGENCY TRANSFERS
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\$783,475,139	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2003-2004.